

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 19, 2009 (February 12, 2009)

Tredegar Corporation

(Exact Name of Registrant as Specified in its Charter)

Virginia

(State or Other Jurisdiction
of Incorporation)

1-10258

(Commission
File Number)

54-1497771

(IRS Employer
Identification No.)

**1100 Boulders Parkway
Richmond, Virginia**

(Address of Principal Executive Offices)

23225

(Zip Code)

Registrant's telephone number, including area code: **(804) 330-1000**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 *Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.*

At its February 12, 2009 meeting, the Executive Compensation Committee (the "Compensation Committee") of the Board of Directors of Tredegar Corporation (the "Corporation") approved the following compensatory arrangements with the Corporation's named executive officers.

2009 Cash Incentive Plan

The Compensation Committee approved an annual cash incentive plan applicable to the Corporation's executive officers. The 2009 Incentive Plan for Executive Officers (the "2009 Incentive Plan") approved by the Compensation Committee applies to the Corporation's executive officers (including the named executive officers, other than D. Andrew Edwards) and certain other key corporate-level employees.

The 2009 Incentive Plan is intended to reward each participant based on the attainment of specific 2009 financial performance targets as well as individual performance. For the named executive officers, other than Ms. Taylor and Mr. Edwards, 2009 financial performance will be measured by economic profit added ("EPA") based on the Corporation's consolidated results. For Ms. Taylor, 2009 financial performance will be measured by EPA based on the performance of the Film Products division, which Ms. Taylor leads. The Committee reviewed the annual financial targets for the 2009 Incentive Plan as part of its review and approval of the 2009 Incentive Plan. The following short-term incentive opportunities, expressed as a percentage of the named executive officer's base salary, are available under the 2009 Incentive Plan for the named executive officers, other than Mr. Edwards:

2009 Short-Term Incentive Structure

<u>Name</u>	<u>Title</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
John D. Gottwald	President and CEO	50%	100%	200%
Nancy M. Taylor	Exec. VP and Pres., Tredegar Film Products	32.5%	65%	130%
Larry J. Scott	VP, Audit	22.5%	45%	90%

Special plan provisions apply to Mr. Edwards who will be undertaking responsibilities in addition to his position as the Corporation's Chief Financial Officer. Mr. Edwards will be rewarded based on the attainment of specific functional goals that relate to his additional responsibilities rather than EPA, as follows:

2009 Short-Term Incentive Structure

<u>Name</u>	<u>Title</u>	<u>Threshold</u>	<u>Target</u>	<u>Maximum</u>
D. Andrew Edwards	VP, CFO and Treasurer	\$75,000	\$150,000	\$300,000

2009 Long-Term Incentive Awards

The Compensation Committee approved grants of performance stock units, restricted stock awards and nonstatutory stock options in the amounts set forth below under the 2004 Equity Incentive Plan (the "Plan") to each of the Corporation's named executive officers, other than Mr. Edwards. The grants will become effective on the third business day following the Corporation's release of its fourth quarter earnings.

<u>Name</u>	<u>Title</u>	<u>2009 Performance Stock Units</u>	<u>2009 Restricted Stock</u>	<u>2009 Stock Options</u>
John D. Gottwald	President and CEO	22,000	18,000	100,000
Nancy M. Taylor	Exec. VP and Pres., Tredegar Film Products	7,850	6,450	37,500
Larry J. Scott	VP, Audit	2,125	1,650	9,800

The Compensation Committee established 2009 financial performance targets for the performance stock unit awards. The named executive officers listed above are eligible to receive the award if the Corporation's consolidated EPA from manufacturing operations meets the targets approved by the Compensation Committee. The performance stock unit awards were made pursuant to the terms of the Plan and are subject to the terms of the Notice of Stock Unit Award and Stock Unit Award Terms and Conditions, substantially in the form filed as Exhibit 10.23 to the Corporation's Current Report on Form 8-K filed June 26, 2007, and incorporated herein by reference.

The Restricted Stock Award becomes vested and nonforfeitable on the third anniversary of the date of grant, which the Compensation Committee established to be the third business day following the Corporation's fourth quarter earnings release. Upon the issuance of the shares on the date of grant, the named executive officer listed above shall be entitled to vote the shares and shall be entitled to receive, free of all restrictions, ordinary cash dividends. A copy of the form of Notice of Stock Award and Stock Award Terms and Conditions for this grant is attached hereto as Exhibit 10.18.

The stock options will have an option price equal to the closing price of shares of the Corporation's common stock as reported on the New York Stock Exchange composite tape on the third business day following the Corporation's fourth quarter earnings release and have a term of seven years. The vesting period is two years. The grants of options were made pursuant to the terms of the Plan and are subject to the terms of the Notice of Nonstatutory Stock Option Grant and Nonstatutory Stock Option Terms and Conditions, substantially in the form filed as Exhibit 10.21 to the Corporation's Current Report on Form 8-K filed March 9, 2006, and incorporated herein by reference.

Discretionary Bonuses

The Compensation Committee approved a discretionary bonus for Nancy M. Taylor in the amount of \$75,000.

Item 9.01. *Financial Statements and Exhibits.*

(d) Exhibits.

10.18 Form of Notice of Stock Award and Stock Award Terms and Conditions

10.21 Form of Notice of Nonstatutory Stock Option Grant and Nonstatutory Stock Option Terms and Conditions (filed as Exhibit 10.21 to the Corporation's Current Report on Form 8-K (File No. 1-10258) filed on March 10, 2006, and incorporated herein by reference)

10.23 Form of Notice of Stock Unit Award and Stock Unit Award Terms and Conditions (filed as Exhibit 10.23 to the Corporation's Current Report on Form 8-K (File No. 1-10258) filed on June 26, 2007, and incorporated herein by reference)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TREDEGAR CORPORATION

Date: February 19, 2009

By: /s/ A. Brent King
A. Brent King
Vice President, General Counsel
and Secretary

EXHIBIT INDEX

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
<u>10.18</u>	<u>Form of Notice of Stock Award and Stock Award Terms and Conditions</u>
10.21	Form of Notice of Nonstatutory Stock Option Grant and Nonstatutory Stock Option Terms and Conditions (filed as Exhibit 10.21 to the Corporation's Current Report on Form 8-K (File No. 1-10258) filed on March 10, 2006, and incorporated herein by reference)
10.23	Form of Notice of Stock Unit Award and Stock Unit Award Terms and Conditions (filed as Exhibit 10.23 to the Corporation's Current Report on Form 8-K (File No. 1-10258) filed on June 26, 2007, and incorporated herein by reference)

TREDEGAR CORPORATION

NOTICE OF STOCK AWARD

You have been granted the following Stock Award by the Executive Compensation Committee of the Board of Directors of Tredegar Corporation ("Tredegar"):

Name of Participant: [Name]
Date of Grant: [Date]
Number of Shares: [Number] Shares of Common Stock
Vesting: 100% as of [_____], 2012
Expiration Date: None.
Transferability: None; other than by will or the laws of descent and distribution.

In addition to the foregoing terms, your Stock Award is subject to all of the terms and conditions contained in the attached Stock Award Terms and Conditions which are incorporated in this Notice of Stock Award by this reference. If any provision of this Notice of Stock Award is inconsistent with the aforementioned Stock Award Terms and Conditions, the Stock Award Terms and Conditions will control.

Please acknowledge your acceptance of this Stock Award and the attached Stock Award Terms and Conditions by signing and returning one copy of this Notice of Stock Award to Pat Thomas, Tredegar Corporation, 1100 Boulders Parkway, Richmond, Virginia, 23225.

TREDEGAR CORPORATION

By: _____

Participant

Date: _____

STOCK AWARD TERMS AND CONDITIONS

THESE STOCK AWARD TERMS AND CONDITIONS (“Terms and Conditions”) effective as of the ____ day of _____, 2009, govern the Stock Award made by Tredegar Corporation, a Virginia corporation (the “Company”), to the participant (the “Participant”) named in the Notice of Stock Award to which these Terms and Conditions are attached (the “Grant Notice”), and are made in accordance with and subject to the provisions of the Company’s 2004 Equity Incentive Plan (the “Plan”). A copy of the Plan has been made available to Participant. All terms used in these Terms and Conditions that are defined in the Plan have the same meaning given them in the Plan.

1. Grant of Stock Award. In accordance with the Plan, and effective as of the Date of Grant specified in the Grant Notice (the “Date of Grant”), the Company granted to Participant, subject to the terms and conditions of the Plan and these Terms and Conditions, the number of shares of Common Stock specified in the Grant Notice (the “Shares”). Subject to Section 2, certificates evidencing the Shares shall be issued by the Company and registered in the name of the Participant on the stock transfer books of the Company. However, certificates issued with respect to the Shares shall be held by the Company in escrow under the terms hereof. Such certificates shall bear the legend set forth in Section 2(b) or such other appropriate legend as the Committee shall determine, which legend shall be removed only if and when the Shares vest as provided herein, at which time the certificates shall be delivered to the Participant.

2. Terms and Conditions. The Shares are subject to the following additional terms and conditions:

(a) Rights as a Shareholder. Upon the issuance of the Shares, the Participant shall be entitled to vote the Shares, and shall be entitled to receive, free of all restrictions, ordinary cash dividends. Stock received as a dividend on, or in connection with a stock split of, the Shares shall be subject to the same restrictions as the Shares. The Participant’s right to receive any extraordinary dividends or other distributions with respect to the Shares prior to their becoming nonforfeitable shall be at the sole discretion of the Committee, but in the event of any such extraordinary event, the Committee shall take action appropriate to preserve the value of, and prevent the unintended enhancement of the Shares.

(b) Legend. Unless otherwise determined by the Committee, any certificate issued in respect of the Shares prior to the lapse of any outstanding restrictions relating thereto shall bear the following legend:

“This certificate and the shares of stock represented hereby are subject to the terms and conditions, including the forfeiture provisions and restrictions against transfer (the “Restrictions”), contained in the Company’s 2004 Equity Incentive Plan and an agreement entered into between the registered owner and the Company. Any attempt to dispose of these shares in contravention of the applicable restrictions, including by way of sale,

assignment, transfer, pledge, hypothecation or otherwise, shall be null and void and without effect.”

As soon as practicable following the lapse of the restrictions in accordance with paragraph (c), the Company shall reissue certificates for the Shares without the restricted legend.

(c) Lapse of Restrictions. Subject to the provisions of Sections 3, 4, 5 and 6, the Shares shall become vested and nonforfeitable on the third anniversary of the Date of Grant.

(d) Nontransferability. So long as the Shares are unvested, the Shares are nontransferable except by will or by the laws of descent and distribution.

(e) Grant of Stock Power. The Participant hereby appoints Patricia A. Thomas, or her successor, as the true and lawful attorney of the Participant, to endorse and execute for and in the name and stead of the Participant any certificates evidencing the Shares if any of the Shares are forfeited.

3. Lapse of Restrictions in the Event of Death. The restrictions on the Shares shall lapse upon Participant’s death if Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the Participant’s death.

4. Lapse of Restrictions in the Event of Permanent and Total Disability. The restrictions on the Shares shall lapse upon Participant’s termination of employment on account of permanent and total disability (within the meaning of Section 22(e)(3) of the Code) if Participant remains in the continuous employ of the Company or an Affiliate from the Date of Grant until the date of termination on account of permanent and total disability (as previously defined).

5. Effect of Other Terminations of Employment.

(a) Subject to the provisions of Sections 3 and 4 and subparagraph (b) below, in the event the Participant ceases to be employed by the Company or an Affiliate prior to the lapse of restrictions, the Shares on which the restrictions have not lapsed shall be forfeited.

(b) In the event of Participant’s Involuntary Termination by the Company prior to the lapse of restrictions, the restrictions on a pro-rata portion of the Shares representing the number of months of service completed from the Date of Grant divided by thirty-six (36) months shall lapse.

6. Change of Control. The restrictions on the Shares shall lapse as of the Control Change Date.

7. Definitions. The following definitions shall apply to these Terms and Conditions:

(a) Control Change Date means the date on which a Change in Control (as defined below) occurs. If a Change in Control occurs on account of a series of transactions, the Control Change Date is the date of the last of such transactions.

(b) Change in Control means the occurrence of any of the following events:

- (1) any Person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) (other than a Person who is not an Acquiring Person), at any time becomes the Beneficial Owner of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Voting Securities"), other than (i) through an acquisition of Voting Securities directly from the Company, (ii) as a result of the Company's repurchase of Voting Securities if, thereafter, such Beneficial Owner purchases no additional Voting Securities, or (iii) pursuant to a Business Combination (as defined below) that does not constitute a Change in Control pursuant to subparagraph 7(b)(3) below;
- (2) Continuing Directors cease to constitute a majority of the members of the Board other than pursuant to a Business Combination that does not constitute a Change in Control pursuant to subparagraph 7(b)(3) below;
- (3) Consummation of a reorganization, merger, share exchange or consolidation (a "Business Combination"), in each case, unless immediately following such Business Combination, (i) all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such Business Combination Beneficially Own more than 80% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Common Stock and Voting Securities, as the case may be, (ii) no Person (other than a Person who is not an Acquiring Person) Beneficially Owns 50% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business combination or the combined voting power of the then outstanding voting securities of such corporation and (iii) at least a majority of the members of the board of directors

of the corporation resulting from such Business Combination are Continuing Directors; or

- (4) the shareholders of the Company approve a complete liquidation or dissolution of the Company or the consummation of a sale or other disposition of all or substantially all of the assets of the Company, in each case, unless immediately following such liquidation, dissolution, sale or other disposition, (i) more than 80% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of such Common Stock and Voting Securities, as the case may be, (ii) less than 20% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by any Person (other than any Person who is not an Acquiring Person), and (iii) at least a majority of the members of the board of directors of such corporation are Continuing Directors immediately following such sale or disposition.

For purposes of the definition of Change of Control, the terms Acquiring Person, Beneficial Owner, Company, Continuing Director, and Person shall have the same definitions given them in the Rights Agreement between Tredegar Corporation and American Stock Transfer & Trust Company, dated as of June 30, 1999, as amended.

(c) Normal Retirement means the voluntary separation by Participant from the employment with the Company or an Affiliate on or after the date Participant has reached age sixty-five.

(d) Involuntary Termination means the involuntary separation by Participant from the employment with the Company or an Affiliate.

8. Withholding. The Participant shall pay the Company any amount of taxes as may be necessary in the opinion of the Company to satisfy tax withholding required under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions. In lieu thereof, the Company shall have the right to retain the number of shares of Common Stock whose Fair Market Value equals the minimum amount required to be withheld. In any event, the Company shall have the right to deduct

from all amounts paid to a Participant in cash (whether under the Plan or otherwise) any taxes required to be withheld. The Participant shall promptly notify the Company of any election made pursuant of Section 83(b) of the Code.

9. No Right to Continued Employment. The award of the Shares does not give Participant any right with respect to continuance of employment by the Company or an Affiliate, nor shall it interfere in any way with the right of the Company or an Affiliate to terminate his or her employment at any time.

10. Change in Capital Structure. The Shares shall be adjusted as the Committee determines is equitably required in the event the Company effects one or more stock dividends, stock split-ups subdivisions or consolidations of shares, other similar changes in capitalization or such other events as are described in the Plan.

11. Governing Law. These Terms and Conditions and the Grant Notice shall be governed by the laws of the Commonwealth of Virginia.

12. Conflicts. In the event of any conflict between the provisions of the Plan as in effect on the Date of Grant and the provisions of these Terms and Conditions or the Grant Notice, the provisions of the Plan shall govern. All references herein to the Plan shall mean the plan as in effect on the Date of Grant.

13. Participant Bound by Plan. Participant hereby acknowledges that a copy of the Plan has been made available to him or her and agrees to be bound by all the terms and provisions of the Plan.

14. Binding Effect. Subject to the limitations stated above and in the Plan, these Terms and Conditions and the Grant Notice shall be binding upon Participant and his or her successors in interest and the successors of the Company.